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Legislative Bulletin.....October 4, 2007

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H.R. 3246 — Regional Economic and Infrastructure Development Act of 2007

Summary of the Bills Under Consideration Today:

Total Number of New Government Programs: 3

Total Cost of Discretionary Authorizations: \$200 million in FY 2008 and \$1.25 billion over the FY 2008 – FY 2012 period

Effect on Revenue: \$0

Total Change in Mandatory Spending: \$0

Total New State & Local Government Mandates: 0

Total New Private Sector Mandates: 0

Number of Bills Without Committee Reports: 0

Number of Reported Bills that Don't Cite Specific Clauses of Constitutional Authority: 1

H.R. 3246 — Regional Economic and Infrastructure Development Act of 2007 (Oberstar, D-MN)

Order of Business: The bill is scheduled to be considered on Thursday, October 4th, subject to a closed rule (H.Res. 704) that self-executes (i.e. automatically passes) one amendment, yet allows no other amendments to be offered on the floor. The rule waives all points of order against the consideration of the bill (except those for earmarks and PAYGO), waives all points of order against the bill itself as modified by the self-executing amendment (except that for earmarks), and makes in order one motion to recommit (with or without instructions).

On September 17, 2007, H.R. 3246 was considered under a motion to suspend the rules and pass the bill (see [here](#) for the roll call vote). The amendment that the rule self-executes, which would add ten Louisiana parishes and two Mississippi counties to the Delta Regional Commission, would make the bill identical to what the House considered on September 17th. In other words, should the rule pass, the text of this bill will be identical to what the House considered on September 17, 2007.

Summary: H.R. 3246 would authorize \$1.25 billion over five years to create five regional commissions. The commissions would be state-federal partnerships that would provide grants to state and local governments intended to promote infrastructure and economic development. Specifically, the bill would create the following five commissions, three of which are new and two of which replace current entities:

- The Delta Regional Commission, which would replace the existing Delta Regional Authority, and would include counties in Alabama, Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee;
- The Northern Great Plains Regional Commission, which would replace the existing Northern Great Plains Regional Authority, and would include all counties in Iowa, Minnesota, Nebraska, North Dakota and South Dakota, as well as certain counties in Missouri;
- The Southeast Crescent Regional Commission, which would include all counties in Virginia, North Carolina, South Carolina, Georgia, Alabama, Mississippi and Florida that are not included in the Appalachian Regional Commission or Delta Regional Commission;
- The Southwest Border Regional Commission, which would include counties in Arizona, California, New Mexico, and Texas; and
- The Northern Border Regional Commission, which would include counties in Maine, New Hampshire, New York, and Vermont.

Each of the regional commissions would be authorized to receive discretionary appropriations as follows:

- 2008—\$40 million
- 2009—\$45 million
- 2010—\$50 million
- 2011—\$55 million
- 2012—\$60 million

The bill would require each regional commission to evaluate the region and to establish strategies for awarding grants in the region that would encourage development and meet the specific needs of the region. The commission would be required to support the creation of local

development districts and to work with private and local entities to foster development and cooperation throughout the region.

The commissions would also be required to designate specific “distressed,” “transitional,” or “attainment” counties within the region. H.R. 3246 would require that 50% of the commission’s assistance be given to counties that are defined as “distressed,” which is defined as having high rates of unemployment and poverty. In general, “attainment” counties would not be able to receive funds for any other costs than administrative expenses.

Each commission would consist of a federal co-chairperson to be appointed by the President and confirmed by the Senate. The commission would also include the governors of all participating states. The bill would also require that a tribal co-chairperson be appointed to the Northern Great Plains Regional Commission. In addition, tribes in the Southwest Border Regional Commission would be allowed to participate in the official business of the commission. Each commission would be responsible for hiring and paying an executive director and staff to carry out the functions of the commission.

The bill limits the federal share of funding for projects carried out by the commission to 50%, unless the project is conducted in a county that is designated as distressed, in which case the share would be as high as 80%. H.R. 3246 would allow the commissions to use federal funds to supplement the cost of current federal projects within the region. Under those circumstances, federal funds could account for up to 80% of the cost of the project.

H.R. 3246 extends Davis-Bacon prevailing wage requirements to projects funded by the five regional commissions.

Additional Information: Regional commissions, such as the Appalachian Regional Commission, the Denali Commission, and the Tennessee Valley Authority, have been used in the past as a means to fund development in certain parts of the country. H.R. 3246 would create three new regional commissions and replace two existing commissions.

According to House Report [110 – 321](#), the purposes of the new regional commissions are to “provide a comprehensive regional approach to economic and infrastructure development in the most severely economically distressed regions in the Nation,” and to “ensure that the most severely economically distressed regions in the Nation have the necessary tools to develop the basic building blocks for economic development, such as transportation and basic public infrastructure, job skills training, and business development.”

RSC Bonus Fact: There are currently [four regional commissions](#)—the Appalachian Regional Commission, Delta Regional Authority, Northern Great Plains Regional Authority, and the Denali Commission. These programs were created in 1965, 1988, 1994, and 1998 respectively.

Committee Action: H.R. 3246 was introduced on July 31, 2007 and referred to the Committee on Transportation and Infrastructure, as well as the Committee on Financial Services. On August 2, 2007, the Committee on Transportation and Infrastructure held a mark-up and reported

the bill, as amended, by voice vote. On September 7, 2007, the bill was discharged by the Committee on Financial Services.

Possible Conservative Concerns: Some conservatives may be concerned that H.R. 3246 creates a net total of three new federal programs and that the increased authorized spending level (subject to appropriation) is not offset by reducing existing low-priority federal programs. Some conservatives may also have concerns about creating new regional commissions, since grants and awards given by the four existing regional commissions have been criticized for being duplicative of other federal programs. Additionally, regional commission projects are often designated through earmarks.

Some conservatives may also be concerned that H.R. 3246 expands Davis-Bacon requirements to projects funded by the five regional commissions created by the legislation.

Administration Position: The [SAP](#) states: “If H.R. 3246 were presented to the President, his senior advisors would recommend that he veto the bill.” The SAP expresses concern that H.R. 3246 would “duplicate activities already authorized and carried out under current law” as well as concern about the bill’s expansion of Davis-Bacon requirements.

Cost to Taxpayers: According to CBO, H.R. 3246 would authorize \$200 million in FY 2008 and \$1.25 billion over the FY 2008 – FY 2012 period.

Does the Bill Expand the Size and Scope of the Federal Government?: Yes. The bill would create a net total of three new regional commissions.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: The Transportation and Infrastructure Committee, in House Report 110-331, asserts that “H.R. 3246, as amended, does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(d), 9(e), or 9(f) of rule XXI of the Rules of the House of Representatives.”

Constitutional Authority: The Transportation Committee, in House Report 110-321, cites constitutional authority in Article 1, Section 8, but fails to cite a specific clause. House Rule XIII, Section 3(d)(1), requires that all committee reports contain “a statement citing the *specific powers* granted to Congress in the Constitution to enact the law proposed by the bill or joint resolution.” *[emphasis added]*

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